

PERSELS & ASSOCIATES, LLC
PO BOX 729
COLUMBIA MD 21045

PERSELS & ASSOCIATES, LLC
A National Law Firm Dedicated to Consumer Rights

Jimmy B. Persels, licensed in DC, MD, MO, IL

Thomas Hearn
1203 Berkeley St
Durham NC 277053530

Customer Service: 1-866-939-PALAW
Plan Reference Number: 71814545
Monthly Program Pay: \$648.00 per month
First Pay Date: May 01, 2009
Recurring Pay Date: 1st of each month

April 01, 2009

ENROLLMENT SUMMARY PAGE

Congratulations on your decision to enroll in the Debt Resolution Plan offered by Persels & Associates, LLC! You are a few simple steps away from getting your Plan started. We are excited to be able to work together with you to create a new financial future.

Your enrollment package includes the following documents and becomes effective when it is received and accepted by Persels & Associates, LLC. Your electronic signature signifies that you have read and agree to the terms outlined in each of the documents.

1. Retainer Agreement - the terms of our agreement together
2. General Disclosures
3. Disclosures 527(a) and 527(b) - Disclosures required by Federal Law
4. Repayment Schedule - detailed listing of creditors included in your plan
5. Authorization to Debit - debit authorization terms provided in the space below
6. Personal Financial Summary - a list of your Net Worth and Monthly Budget

Authorization to Debit

By verifying the information below you provided to us and signing above, you authorize Persels & Associates, LLC to debit your account each month beginning on May 01, 2009. These funds are to be deposited into the attorney escrow account for distribution to your creditors as you have instructed. Please allow at least 10 business days to process this request. You may revoke this authorization by notifying us as specified in the Retainer Agreement.

Please debit my: ☒ Checking Account ☐ Savings Account

Account Information: **053100465**
Routing Number

3909371
Account Number

Date Prepared: April 01, 2009
Rev: 829E-011-081126

Phone: 1-866-939-PALAW

Date: April 01, 2009
Plan Reference Number: 71814545

Retainer Agreement

This retainer agreement outlines the terms and conditions of our representation. Persels & Associates, LLC is a national law firm and as such is completely dedicated to giving you independent advice and to serve your interests only. We will work on your behalf to negotiate settlements with your creditors that are within your means.

The specific terms of our retainer agreement are as follows:

1. **Agreement.** You have retained us to help you resolve your unsecured debt. Unsecured debt is that debt not secured by property you own. We cannot assist you with secured debt, including cross-collateralized loans, ie, debt secured by security on another loan you have with the same institution. We agree to provide the "Debt Resolution Services" described in this contract. In exchange, you will pay us the fees described in the Fees section. This contract protects both you and us by spelling out what is expected. "You" means Thomas Hearn, jointly and severally if more than one. "We" or "Us" means Persels & Associates, LLC and its administrative staff at CareOne Services, Inc. "Our" means you and us together. "Creditors" means your unsecured creditors listed on the attached **Debt Schedule**.

This retainer agreement begins when you accept these terms and conditions in Maryland after you sign it and ends when we or you terminate this contract (the "Term"). You can terminate our representation at any time and, except for the termination fee, all of the money in the escrow account will be promptly returned to you. Your notice of termination must be provided in writing and delivered to us at least 3 business days prior to any scheduled debit date to be effective. We can also terminate representation if we believe that continuing would not be in your best interest or if you fail to perform material responsibilities under our Agreement.

If you don't accept these terms and conditions, you will give us notice in writing or telephone us, at your option. If we don't receive a signed retainer from you within 30 days we will assume you do not wish to proceed and will take no further action on your behalf.

2. **Your Budget.** We used the financial information you gave us to prepare a **Personal Financial Summary** which is a cash flow statement and working budget. Based on your disposable income, we estimated how much you can pay to all of your creditors. This is called your "Net Monthly Cash Flow" on the **Debt Schedule**.

You affirm that the financial information you gave us to prepare the Personal Financial Summary is true and complete. Incorrect or incomplete information will impair our ability to reach settlements with your creditors and to properly advise you. You agree that you will promptly notify us of any change in your financial situation. Any material omission may result in additional fees.

3. **Creditor Offers.** Once balances have accumulated in your attorney escrow account, we will contact your creditors regularly to try to get them to accept a payment plan or settlement offer. If a creditor doesn't accept our offer initially, we will continue to contact them to discuss settlement options. We will negotiate with your creditor to obtain the best settlement option available. We may settle with a creditor for any amount up to the Pre-Plan Debt.

You understand that until a creditor accepts our offer, the creditor may keep trying to collect the debt. The creditor's collection efforts may include filing a lawsuit against you. In the event you are sued, we will assist you in preparing an answer to such suit and will negotiate with the creditor's attorney on your behalf. We will not go to court with you or file an appearance on your behalf, as the cost of doing so would be prohibitive. We will advise you on what the creditor can do, if anything, with a judgment and will work with you to revise your debt reduction plan if it's necessary to serve your interests. More complex legal services like answering interrogatories, responding to demands for production of documents or preparing legal memoranda and the like will be billed separately but at vastly reduced rates. You will be notified of the charge for any such services before we perform them.

4. **Settlement Letter.** We will sign settlement letters with creditors who accept our offers. The settlement letters are contracts and will bind you to make the payments scheduled. We will make payments on your behalf from available escrow balances. The settlement letter will also bind each creditor to stop collection actions while you are making payments as scheduled, and to forgive any debt remaining after you pay the amount agreed. We will not bind you to any other payments without first telling you and getting your consent. If you don't fulfill your obligations under the settlement letter, your creditors may take collection actions and sue you.
5. **Fees.**
 - a. **Legal Fees.** You agree to pay a legal fee totaling \$8,240.00 over the first 18 months of the representation. You will pay the first \$100 when we receive this signed contract. Your Payment Schedule is attached to this Retainer Agreement. Fees will be taken from available escrow balances if you fail to make a payment in any given month. We will not deduct partial fees from escrow. It is contemplated that the Term of the representation shall be no longer than 60 months, however if you miss payments it may be necessary for you to continue the representation longer to satisfy any settlements we have reached.
 - b. **Early Termination Fee.** If you terminate our representation before the Term expires or all of your enrolled accounts are successfully settled you agree to pay a flat fee of \$150 to cover the costs of closing the file and notifying your creditors that we no longer represent you.
 - c. **Additional Administrative Fees and Costs.** We will use the lowest cost option available to make timely payments to your creditors. You will pay for any costs incurred by the firm as a result of NECESSARY overnight delivery of checks or documents, wire transfers, or bank by phone transactions.
6. **Authorization for Additional Legal Fees.** As an active client of the Debt Resolution Program, you will receive basic legal services as part of your Legal Fee. Fees can be higher based on the complexity of the situation and the timeline required to respond. You understand that this attorney will not represent you in litigation, but will assist you in preparing appropriate documents and for any possible appearance at trial. Your attorney will not be responsible for preparing an answer to any action against you unless you contract Persels & Associates, LLC at least ten (10) days before any such answer is due.
7. **Monthly Payments.** You hereby authorize us to withdraw the Net Monthly Cash Flow and our fees ("Total Monthly Payment") from your bank account on the date during the month you select. Withdrawals will be made each month. The Authorization to Debit will tell you how to do that. In some situations, you may send a cashier's check, certified check or money order in the amount of the Total Monthly Payment to us to be placed in the Trust Account. Any changes to the date noted on the Authorization to Debit must be made be in writing and delivered to us at least 3 business days prior to the debit date to be effective. You may cancel this authorization at any time. The cancellation must be in writing and must be made at least 3 business days prior to a debit to avoid that withdrawal from being made.
8. **Recordkeeping, Reports, and Payment Tracking.** On your behalf, we will process your Total Monthly Payment by creating electronic files and records containing information your creditors need. The electronic files will tell us how to handle the Total Monthly Payment, and how to split and pay the Total Monthly Payment. We also will track your debt balances. We will give you a monthly statement showing how each Total Monthly Payment is applied and will give you reports. You hereby authorize us to share all information about you necessary to process payments.
9. **Creditor Negotiation & Communication.** You agree that you won't negotiate directly with your creditors unless we authorize you to do so as in the case where you must go to court. We will answer all correspondence and telephone calls from your creditors. This is to protect your interests and to assist us in reducing harassment from creditors.

10. **Financial Information.** You agree that the financial information you gave us and that we summarized on your **Personal Financial Summary** is accurate and includes all of your household income, expenses, assets, and liabilities. You represent that the **Debt Schedule** is accurate. You promise to tell us if you become aware of any additional debt or if you become aware that any information included in the **Personal Financial Statement** is inaccurate.
11. **Credit Reports.** You have already authorized us to get your credit report and we have done so. You authorize us to get credit reports on you from time to time. Our services DO NOT include helping you improve your credit report, record, history or rating, or helping you dispute information in your credit report. If you ask our lawyers or paralegals to assist you in doing so, small additional legal fees will be charged after you have consented to same.
12. **Credit Bureau Reporting.** We do not report any information to credit bureaus or anyone else. Your creditors may make unfavorable or negative reports. We have no control over what your creditors do in that regard.
13. **Time for Settling.** Your debt reduction program is based on an effort that will continue for many months, as estimated in the plan paperwork we provide. The time needed to produce a settlement depends on several factors. These may include: (a) the age and balance of the accounts that you owe your creditors, (b) the funds you have available to pay a settlement, and (c) the fees associated with your plan.
14. **Payment to your Creditors.** If you do not make the required minimum payments to your creditors you may be breaking the terms of your agreement with them and your actions will probably be reported to consumer reporting agencies as a late, delinquent, charged-off or past due balance. This is true whether or not you have enrolled in our program. After settlement, your creditor may comment that the account was "settled for less than the full amount" on your credit report. Depending upon the condition of your credit report at the time of enrollment, our debt reduction program may have an adverse effect on your credit report and credit score. Furthermore, if you do not make your minimum payments, your creditor may raise the interest rate on your account. Your account balance will continue to grow as your creditor adds accrued interest, late fees, over-limit fees and penalties. Your balance will continue to grow until a settlement is reached with your creditor; and, if negotiations are unsuccessful, you could be called upon to pay the entire balance.
15. **Tax Implications.** If your creditor settles your debt for more than \$600 less than what you owed, the savings may be reported by your creditor to the IRS as Discharge of Indebtedness income. You understand that it is assumed you enrolled in our debt reduction program because you are insolvent, having financial difficulties with your unsecured debts and have used our plan to avoid filing for bankruptcy. For more information on the tax ramifications to you personally, please consult your tax professional. If you are insolvent you may be able to avoid paying taxes on the amount which is reported as forgiven.
16. **Missed Payments.** If you believe you will be unable to make a Total Monthly Payment, or if you miss a Total Monthly Payment, you will contact us immediately to explain your circumstances. If you do not make all of your Total Monthly Payments, your debt resolution may be compromised and your program extended. Any changes to the date noted on your Authorization Agreement must be delivered to us at least 3 business days prior to the debit date to be effective.
17. **Debt Relief Agency.** Persels & Associates, LLC is a Debt Relief Agency as defined by the Federal Bankruptcy Code and we help people file for Bankruptcy relief under the Bankruptcy Code. We are not offering to provide or willing to provide any services of bankruptcy assistance at this time. You must enter into a Bankruptcy Retainer agreement with us before we will offer to provide or provide any other services or bankruptcy assistance beyond what is contained in this Agreement. We have attached the notices required by sections 527(a) and 527 (b) of the Bankruptcy Code to this agreement for your review.
18. **No Guarantee.** The success of your debt resolution depends on your making consistent monthly payments and the willingness of your creditors to accept our offers. We cannot guarantee results. Some or all of your creditors may try to collect your debts and sue you, and we cannot stop them from exercising their legal rights.
19. **Right of Rescission.** You may terminate our representation at any time by notifying us in writing of your wish to terminate our services. When our services are terminated, you authorize us to pay any service fees due and owing from the Trust Account. The balance of any funds in the Trust Account will be returned to you in 30 days.
20. **Governing Law.** Maryland law governs this agreement without reference to Maryland's conflict-of-law rules.

21. **Notices.** Until you tell us otherwise, we may send you email messages and notices concerning our services. At our option, we also may send you messages and notices by US Postal Service Mail. You may also send us email messages and notices concerning our services.
22. **Amendments.** No amendment to this agreement shall be binding on either of us unless it is in writing and is signed by both of us.
23. **Severability.** In the event that any court rules any portion of this Agreement invalid all other provisions of the Agreement shall remain in effect and unmodified.

Persels & Associates, LLC

A handwritten signature in black ink, appearing to read "JB Persels", with a stylized flourish at the end.

Jimmy B. Persels

DEBT SETTLEMENT REPRESENTATION SUMMARY AND GENERAL DISCLOSURES

- The goal of Persels & Associates, LLC, debt settlement representation is to negotiate a settlement of all of your enrolled unsecured debts in amounts you can afford over the course of our representation. **WE DO NOT ENROLL SECURED DEBT.**
- The debt settlement representation is designed for individuals who can no longer pay their debts and want to avoid bankruptcy, if possible. **IF YOU CAN AFFORD TO PAY YOUR DEBTS THE DEBT SETTLEMENT REPRESENTATION IS NOT FOR YOU.**
- The Client Retainer Agreement is the contract between you and Persels & Associates, LLC. **DO NOT SIGN THE AGREEMENT UNTIL YOU HAVE READ IT AND THOROUGHLY UNDERSTAND IT.**
- Incorrect or incomplete information will impair our ability to reach settlements with your creditors and to properly advise you. **YOU MUST PROMPTLY NOTIFY US OF ANY CHANGE IN YOUR FINANCIAL SITUATION OR IN YOUR CONTACT INFORMATION. ANY MATERIAL OMISSIONS MAY RESULT IN ADDITIONAL FEES OR TERMINATION OF THE REPRESENTATION.**
- You will be represented for purposes of negotiation of your debts by a Persels & Associates, LLC attorney licensed in your state of residence. Your attorney will review your progress regularly and will be available to answer any legal questions or deal with any legal issues that arise during the course of your representation. Our administrative staff will be available to assist you with any purely administrative or non-legal issues you may experience. **YOU CAN CONTACT PERSELS & ASSOCIATES, LLC BY CALLING 1-866-939-PALAW.**
- Debt settlement requires you to make regular monthly payments of your disposable income to Persels & Associates, LLC. We will take our agreed legal fee over the first 18 months of the 60 month representation (see your Client Retainer Agreement for a complete month by month fee schedule). The balance of your payments for the first 18 months and all of your payments after 18 months will be deposited in a highly secure Attorney's Trust account for use in settling your debts. **THIS MEANS THAT THERE WILL BE LIMITED FUNDS AVAILABLE FOR SETTLEMENT DURING THE FIRST 18-24 MONTHS OF THE REPRESENTATION.**
- We will work with your creditors directly and will do what we can to keep them from harassing you about your debts. We can effectively assert your rights under the Fair Debt Collection Practices Act (FDCPA) to avoid third party collectors from calling you without your consent. **HOWEVER, THE FDCPA DOES NOT PREVENT ORIGINAL CREDITORS FROM CONTACTING YOU DIRECTLY.** You may have additional protections under your state's consumer protection laws and your assigned attorney will be able to advise you regarding those additional protections, if any.
- No creditor has to accept a settlement for less than the full amount owed. We will work diligently with your creditors to help them understand that receiving what you can afford to pay on the debt is in everyone's best interest. **HOWEVER, THE MERE FACT THAT WE REPRESENT YOU CANNOT PREVENT A CREDITOR FROM ASSERTING ITS RIGHTS BY SUING YOU TO OBTAIN A MONEY JUDGMENT.**

- If you receive court papers or other legal documents related to your enrolled debts, you must fax them to us as soon as possible so that we can get them into your assigned attorney's hands for review. **IMMEDIATELY FAX ANY LEGAL DOCUMENTS YOU RECEIVE TO PERSELS & ASSOCIATES, LLC AT 888-863-8659.**
- Should you be sued by an aggressive creditor we will assist you with responding to the suit and will advise you of your legal options. **WE WILL NOT REPRESENT YOU IN COURT.** One of your options may be to consider filing for bankruptcy protection as that is the only legal means of stopping judgment creditors from pursuing your non-exempt income and/or assets.
- When you have stopped making payments to your creditors, that fact will be reported to the credit reporting bureaus. **THAT REPORT WILL HAVE A NEGATIVE IMPACT ON YOUR CREDIT SCORES.** Once you have resolved your current debt problems you may be able to rehabilitate your credit scores over time as you establish new accounts and keep them current.
- Creditors' collection activities could include garnishing the money you have in the account you are using to fund your debt settlement trust account, particularly if your bank is also one of your creditors. **FOR THIS REASON WE RECOMMEND YOU OPEN AN ACCOUNT IN ANOTHER BANK TO WHICH YOU ARE NOT INDEBTED.**
- If you have available equity in your home you should explore re-financing your mortgage as a means of obtaining funds to reduce your debt. While we will do our best to negotiate favorable settlements with your creditors, that effort may be impeded if your creditors believe you have sufficient assets to repay what you owe them.
- In the event that you have either secured or unsecured debt held jointly with another individual who is not also represented by the firm, your participation in the debt settlement representation could affect their credit and/or impact their interest in a secured asset. **IT IS YOUR RESPONSIBILITY TO NOTIFY YOUR CO-DEBTOR OF YOUR DEBT SETTLEMENT REPRESENTATION AND THE POTENTIAL IMPACT IT MAY HAVE ON THEM.** Further, by failing to enroll the other jointly held unsecured debt, the firm's ability to settle your individual accounts may be jeopardized.
- If the firm is successful in settling some or all of your debt, you may receive a 1099-C from any creditors who have settled your debts for more than \$600.00 less than the full amount owed. **THUS, SUCCESSFUL SETTLEMENT OF YOUR DEBTS MAY CREATE A TAX LIABILITY FOR YOU.** If you receive any 1099-Cs from your creditors you should provide them to your tax advisors so they can determine if the forgiven debt creates a tax liability.
- **YOU HAVE THE RIGHT TO TERMINATE OUR REPRESENTATION AT ANY TIME.** Any funds remaining in your trust account will be returned to you within 30 days of us receiving notification of your desire to terminate the representation.
- **IF YOU OR WE TERMINATE THE REPRESENTATION EARLY, THE CLIENT RETAINER AGREEMENT ALLOWS US TO CHARGE YOU AN EARLY TERMINATION FEE OF \$150.00.** That fee covers the administrative costs involved in terminating our services, including notifying all of your creditors that we no longer represent you.

527 a DISCLOSURE

NOTICE

The Law Firm is a "debt relief agency" as described in the Federal Bankruptcy Code. The Law Firm helps people file for Bankruptcy relief under the Bankruptcy Code.

I understand that the law firm, by providing me with this NOTICE, is not offering to provide me with legal services relating to Bankruptcy or with any other Bankruptcy assistance by virtue of this NOTICE.

- A. All information that I am required to provide with my Bankruptcy Petition and thereafter during my Bankruptcy case is required to be complete, accurate, and truthful.
- B. All of my assets and liabilities are required to be completely and accurately disclosed in the documents I file to commence my case. The "replacement value" of each of my assets must be stated in those documents. The "replacement value" of my assets is defined in the Bankruptcy Code as the replacement value of my property as of the date of the filing of my Petition, without deduction for the costs of selling it or marketing it. For my personal, family, or household property, replacement value as defined in the Bankruptcy Code means the price that a retail merchant would charge for property of the same kind, considering the age and condition of the property at the time its value is determined. It is my obligation to make a reasonable inquiry to establish the replacement value of my property.
- C. My current monthly income, must be stated after reasonable inquiry. The Bankruptcy Code also requires that I provide additional information about my monthly income. I must provide the additional information is set forth in section 707(b)(2). And, if my case is filed under Chapter 13, I must provide the additional disposable income information set forth in section 707(b)(2) along with this NOTICE.
- D. Information that I provide during my Bankruptcy case may be audited pursuant to the Bankruptcy Code. If I fail to provide this information, my case may be dismissed or the Court may impose other sanctions, including criminal sanctions.

527 b DISCLOSURE

IMPORTANT INFORMATION ABOUT BANKRUPTCY ASSISTANCE SERVICES FROM AN ATTORNEY OR BANKRUPTCY PETITION PREPARER.

If you decide to seek bankruptcy relief, you can represent yourself, you can hire an attorney to represent you, or you can get help in some localities from a bankruptcy petition preparer who is not an attorney. **THE LAW REQUIRES AN ATTORNEY OR BANKRUPTCY PETITION PREPARER TO GIVE YOU A WRITTEN CONTRACT SPECIFYING WHAT THE ATTORNEY OR BANKRUPTCY PETITION PREPARER WILL DO FOR YOU AND HOW MUCH IT WILL COST.** Ask to see the contract before you hire anyone.

The following information helps you understand what must be done in a routine bankruptcy case to help you evaluate how much service you need. Although bankruptcy can be complex, many cases are routine.

Before filing a bankruptcy case, either you or your attorney should analyze your eligibility for different forms of debt relief available under the Bankruptcy code and which form of relief is most likely to be beneficial for you. Be sure you understand the relief you can obtain and its limitations. To file a bankruptcy case, documents called a Petition, Schedules and Statement of Financial Affairs, as well as in some cases a Statement of Intention need to be prepared correctly and filed with the bankruptcy court. You will have to pay a filing fee to the bankruptcy court. Once your case starts, you will have to attend the required first meeting of creditors where you may be questioned by a court official called a 'trustee' and by creditors.

If you choose to file a chapter 7 case, you may be asked by a creditor to reaffirm a debt. You may want help deciding whether to do so. A creditor is not permitted to coerce you into reaffirming your debts.

If you choose to file a chapter 13 case in which you repay your creditors what you can afford over 5 years, you may also want help with preparing your chapter 13 plan and with the confirmation hearing on your plan which will be before a bankruptcy judge.

If you select another type of relief under the Bankruptcy Code other than chapter 7 or chapter 13, you will want to find out what should be done from someone familiar with that type of relief.

Your bankruptcy case may also involve litigation. You are generally permitted to represent yourself in litigation in bankruptcy court, but only attorneys, not bankruptcy petition preparers, can give you legal advice.

Payment Schedule

Plan Month	Payment Amount	Monthly Fee
Month 1	\$648.00	\$556.00
Month 2	\$648.00	\$556.00
Month 3	\$648.00	\$556.00
Month 4	\$648.00	\$556.00
Month 5	\$648.00	\$556.00
Month 6	\$648.00	\$420.00
Month 7	\$648.00	\$420.00
Month 8	\$648.00	\$420.00
Month 9	\$648.00	\$420.00
Month 10	\$648.00	\$420.00
Month 11	\$648.00	\$420.00
Month 12	\$648.00	\$420.00
Month 13	\$648.00	\$420.00
Month 14	\$648.00	\$420.00
Month 15	\$648.00	\$420.00
Month 16	\$648.00	\$420.00
Month 17	\$648.00	\$420.00
Month 18	\$648.00	\$420.00
Month 19	\$648.00	\$0.00
Month 20	\$648.00	\$0.00
Month 21	\$648.00	\$0.00
Month 22	\$648.00	\$0.00
Month 23	\$648.00	\$0.00
Month 24	\$648.00	\$0.00
Month 25	\$648.00	\$0.00
Month 26	\$648.00	\$0.00
Month 27	\$648.00	\$0.00
Month 28	\$648.00	\$0.00
Month 29	\$648.00	\$0.00
Month 30	\$648.00	\$0.00
Month 31	\$648.00	\$0.00
Month 32	\$648.00	\$0.00
Month 33	\$648.00	\$0.00
Month 34	\$648.00	\$0.00
Month 35	\$648.00	\$0.00
Month 36	\$648.00	\$0.00
Month 37	\$648.00	\$0.00
Month 38	\$648.00	\$0.00
Month 39	\$648.00	\$0.00
Month 40	\$648.00	\$0.00
Month 41	\$648.00	\$0.00
Month 42	\$648.00	\$0.00
Month 43	\$648.00	\$0.00
Month 44	\$648.00	\$0.00
Month 45	\$648.00	\$0.00
Month 46	\$648.00	\$0.00
Month 47	\$648.00	\$0.00
Month 48	\$648.00	\$0.00
Month 49	\$648.00	\$0.00
Month 50	\$648.00	\$0.00
Month 51	\$648.00	\$0.00
Month 52	\$648.00	\$0.00
Month 53	\$648.00	\$0.00
Month 54	\$648.00	\$0.00
Month 55	\$648.00	\$0.00
Month 56	\$648.00	\$0.00
Month 57	\$648.00	\$0.00
Month 58	\$648.00	\$0.00
Month 59	\$648.00	\$0.00
Month 60	\$648.00	\$0.00
Totals	\$38,880.00	\$8,240.00

Date Prepared: April 01, 2009
Rev: 829E-011-081126

Debt Schedule**Total Preplan Debt:** \$55,623.00**Net Monthly Cash Flow:** \$92.00

Creditor Name	Account Number	Preplan Debt (as of date)
Bank of America	488893611127****	\$17,369.00 (Apr 01 2009)
Chase	546656300021****	\$23,466.00 (Apr 01 2009)
Citi	542418025805****	\$14,788.00 (Apr 01 2009)

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COLUMBIA MD 21045

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Jimmy B. Persels, licensed in DC, MD, MO, IL

Phone: 1-866-939-PALAW

Date: April 01, 2009

THOMAS HEARN
1203 BERKELEY ST
DURHAM NC 277053530

**PERSONAL FINANCIAL SUMMARY AND
MONTHLY CASH FLOW STATEMENT
NOT INCLUDING UNSECURED DEBT PAYMENT**

PLAN SUMMARY INFORMATION

Plan Reference Number:	71814545
Primary Customer Gross Salary:	\$34,000.00
Secondary Customer Gross Salary:	
Number of Dependents:	2
Residence Type:	Own
Years at Residence:	3
Number of Vehicles:	0
Total Plan Debt:	\$30,640.01

NET WORTH

Assets	
Market Value of Primary Home	\$90,000.00
Market Value of Other Real Estate	\$0.00
Market Value of Vehicle 1	\$0.00
Market Value of Vehicle 2	\$0.00
Market Value of Other Vehicles	\$0.00
Average Checking Account Balance	\$0.00
Average Savings Account Balance	\$0.00
Investment Funds	\$0.00
Retirement Savings	\$0.00
Cash Value of Life Insurance	\$0.00
Other Assets	\$0.00
Total Assets	\$90,000.00
Liabilities	
Total Unsecured Debt	\$55,623.00
Primary Home Mortgage Balance	\$81,902.00
Other Real Estate Mortgage Balances	\$0.00
Vehicle 1 Loan	\$0.00
Vehicle 2 Loan	\$0.00
Other Vehicle Loans	\$0.00
Other Secured Loans	\$0.00
Student Loans	\$11,387.00
Medical Bills	\$0.00
Other Liabilities	\$670.00
Total Liabilities	\$149,582.00
Net Worth	-\$59,582.00

MONTHLY BUDGET

Monthly Income	
Applicant's Take-home Pay	\$1,679.00
Co-applicant's Take-home Pay	\$0.00
Soc. Security/Retirement/Public Assistance	\$0.00
Income	
Child Support and Alimony	\$0.00
Other Income	\$1,100.00
Total Monthly Income	\$2,779.00
Monthly Expenses	
Mortgage/Insurance/Prop Taxes	\$759.00
Rent/Renter's Insurance	\$0.00
Home Repair/Maintenance/Assoc Dues	\$0.00
Electric/Gas/Heating Oil	\$155.00
Water/Sewage/Trash Collection	\$60.00
Groceries/Household/Toiletries	\$350.00
Entertainment/Restaurants	\$0.00
Internet/Cable TV/Satellite TV	\$100.00
Telephone/Cell Phone/Pager	\$78.00
Clothing/Haircuts/Dry Cleaning	\$0.00
Gifts/Donations	\$250.00
Vehicle Payments	\$0.00
Vehicle Insurance	\$142.00
Gas/Parking/Repairs/Public Transit	\$120.00
Child Support/Care	\$0.00
Dependent Care/Activities	\$0.00
Education/Student Loans	\$0.00
Health/Life Insurance	\$0.00
Medicines/Doctor/Dentist	\$45.00
Other Expenses	\$0.00
Total Monthly Expenses	\$2,059.00
Contingency Funds	\$628.00
Net Monthly Cash Flow for Unsecured Debt Payments	\$92.00

Rev: 813E-005-071202

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Jimmy B. Persels, licensed in DC, MD, MO, IL
Lisa Perrillo, licensed in NC and NY

PHONE: 1-866-939-PALAW
FAX: 888-863-8659

April 01, 2009

Thomas Hearn
1203 Berkeley St
Durham NC 277053530

Plan Reference Number: 71814545

Dear Thomas Hearn:

Congratulations on your decision to take control of your finances. We've received your completed paperwork and have activated your plan with us. We're pleased to have you as a client, and are here to help you every step of the way.

Here is a summary of what will happen next:

- As soon as your first payment is in our trust account, we'll begin contacting your creditors.
- We'll send each of your creditors a letter notifying them that we are now working for you. We'll ask them to stop contacting you directly and address all of their communications and correspondence to us. **
- Creditors may hire other firms to help them collect their debt. Please let us know immediately if this occurs.

On a monthly basis, we will:

- Periodically contact your creditors by phone to discuss settlement terms.
- Make disbursements to the appropriate creditors.
- Send a monthly statement allowing you to track your progress and monitor funds held in your trust account.
- Receive and respond to any inquiries by your creditors.

Until your creditors accept our offers, they may not acknowledge your enrollment in our plan. Therefore, your records with your creditors may reflect continued delinquency; increases in your interest rates and continued accrual of interest; and assessment of additional fees and charges. This process takes time. Creditors may continue to take legal action. Rest assured that we are here to work with you every step of the way.

Please read the "Important Instructions" on the next page. Also, review the enclosed "FTC Facts for Consumers: Fair Debt Collection". This brochure answers commonly asked questions about your rights under the Fair Debt Collection Practices Act. In addition, your state law may also provide additional protections which your attorney can explain.

Please call us at 1-866-939-PALAW anytime you have any questions or if you need to discuss a change in your financial situation. We look forward to a rewarding relationship with you while we work with you to resolve your debt.

Very Truly Yours,



Jimmy B. Persels

** It is the policy of Persels & Associates, LLC, to discard creditor statements, collection notices, and credit offers upon receipt by this office.
Rev: 808E-006-080629

Important Instructions About Your Debt Resolution Plan

Consistency of payment is absolutely key to your successful completion of the Debt Resolution Plan. Your payments must be made on time every month to maximize success on our plan. If something unexpected happens and you must delay your payment by a few days, please call us right away – we need at least 2 business days notice to make any required bank adjustments.

Remember, in order for our plan to work effectively, we must be the only individuals working with your creditors. If they persist in attempting to contact you, **DO NOT MAKE ANY PROMISES OF PAYMENT** and follow our instructions below.

If you receive a call from your creditor...

1. Collect the name and contact information from each debt collector who contacts you. Write this down along with the date and time of the call.
2. Verbally inform them that they must contact our office, but they are not to contact you any longer. Say "Please stop communicating with me about this debt. I have hired the law offices of Persels & Associates, LLC to help me with my debts. They are my attorney and are authorized to speak with you regarding my debt. You may contact them at 1-800-498-6761".
3. If a collector leaves a message on your answering machine, **DO NOT CALL THEM BACK**. Please call us and provide the contact information.

If you receive a call from a debt collector working for a collection agency or an attorney...

1. Verbally inform them that, as per the letter they have received or will receive from us shortly, they may contact our office at 1-800-498-6761, but they are not to contact you any longer.
2. If you wish, you may also send them the attached letter (best if sent by certified mail, return receipt requested). However, the creditor will already have received this notification on your behalf. You may send this letter to all of your creditors.

Date

RE: Account number _____

To Whom it May Concern:

Please be informed that I have hired Persels & Associates, LLC to help me resolve my unsecured debt . They are authorized to discuss my account with you. Please cease further communication with me regarding the referenced debt. You may contact Persels & Associates, LLC at 1-800-498-6761.

If you are a collection agency, you may no longer contact me pursuant to the provisions of Title 15 U.S.C. § 1692c.

Thank you for complying with this request.

Sincerely,

Signature

Printed Name

Address: _____

Certified Mail
Return Receipt Requested

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FTC FACTS for Consumers

Fair Debt Collection

If you use credit cards, owe money on a personal loan, or are paying on a home mortgage, you are a "debtor." If you fall behind in repaying your creditors, or an error is made on your accounts, you may be contacted by a "debt collector."

You should know that in either situation, the Fair Debt Collection Practices Act requires that debt collectors treat you fairly and prohibits certain methods of debt collection. Of course, the law does not erase any legitimate debt you owe.

This brochure answers commonly asked questions about your rights under the Fair Debt Collection Practices Act.

What debts are covered?

Personal, family, and household debts are covered under the Act. This includes money owed for the purchase of an automobile, for medical care, or for charge accounts.

Who is a debt collector?

A debt collector is any person who regularly collects debts owed to others. This includes attorneys who collect debts on a regular basis.

How may a debt collector contact you?

A collector may contact you in person, by mail, telephone, telegram, or fax. However, a debt collector may not contact you at inconvenient times or places, such as before 8 a.m. or after 9 p.m., unless you agree. A debt collector also may not contact you at work if the collector knows that your employer disapproves of such contacts.

Can you stop a debt collector from contacting you?

You can stop a debt collector from contacting you by writing a letter to the collector telling them to stop. Once the collector receives your letter, they may not contact you again except to say there will be no further contact or to notify you that the debt collector or the creditor intends to take some specific action. Please note, however, that sending such a letter to a collector does not make the debt go away if you actually owe it. You could still be sued by the debt collector or your original creditor.

May a debt collector contact anyone else about your debt?

If you have an attorney, the debt collector must contact the attorney, rather than you. If you do not have an attorney, a collector may contact other people, but only to find out where you live, what your phone number is, and where you work. Collectors usually are prohibited from contacting such third parties more than once. In most cases, the collector may not tell anyone other than you and your attorney that you owe money.

What must the debt collector tell you about the debt?

Within five days after you are first contacted, the collector must send you a written notice telling you the amount of money you owe; the name of the creditor to whom you owe the money; and what action to take if you believe you do not owe the money.

May a debt collector continue to contact you if you believe you do not owe money?

A collector may not contact you if, within 30 days after you receive the written notice, you send the collection agency a letter stating you do not owe money. However, a collector can renew collection activities if you are sent proof of the debt, such as a copy of a bill for the amount owed.

What types of debt collection practices are prohibited?

Harassment. Debt collectors may not harass, oppress, or abuse you or any third parties they contact. For example, debt collectors may not:

- use threats of violence or harm;
- publish a list of consumers who refuse to pay their debts (except to a credit bureau);
- use obscene or profane language; or
- repeatedly use the telephone to annoy someone.

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FTC FACTS for Consumers

False statements. Debt collectors may not use any false or misleading statements when collecting a debt. For example, debt collectors may not:

- falsely imply that they are attorneys or government representatives;
- falsely imply that you have committed a crime;
- falsely represent that they operate or work for a credit bureau;
- misrepresent the amount of your debt;
- indicate that papers being sent to you are legal forms when they are not; or
- indicate that papers being sent to you are not legal forms when they are.

Debt collectors also may not state that:

- you will be arrested if you do not pay your debt;
- they will seize, garnish, attach, or sell your property or wages, unless the collection agency or creditor intends to do so, and it is legal to do so; or
- actions, such as a lawsuit, will be taken against you, when such action legally may not be taken, or when they do not intend to take such action.

Debt collectors may not:

- give false credit information about you to anyone, including a credit bureau;
- send you anything that looks like an official document from a court or government agency when it is not; or
- use a false name.

Unfair practices. Debt collectors may not engage in unfair practices when they try to collect a debt. For example, collectors may not:

- collect any amount greater than your debt, unless your state law permits such a charge;
- deposit a post-dated check prematurely;
- use deception to make you accept collect calls or pay for telegrams;
- take or threaten to take your property unless this can be done legally; or
- contact you by postcard.

What control do you have over payment of debts?

If you owe more than one debt, any payment you make must be applied to the debt you indicate. A debt collector may not apply a payment to any debt you believe you do not owe.

What can you do if you believe a debt collector violated the law?

You have the right to sue a collector in a state or federal court within one year from the date the law was violated. If you win, you may recover money for the damages you suffered plus an additional amount up to \$1,000. Court costs and attorney's fees also can be recovered. A group of people also may sue a debt collector and recover money for damages up to \$500,000, or one percent of the collector's net worth, whichever is less.

Where can you report a debt collector for an alleged violation?

Report any problems you have with a debt collector to your state Attorney General's office and the Federal Trade Commission. Many states have their own debt collection laws, and your Attorney General's office can help you determine your rights.

The FTC works for the consumer to prevent fraudulent, deceptive and unfair business practices in the marketplace and to provide information to help consumers spot, stop and avoid them. To file a complaint or to get free information on consumer issues, visit www.ftc.gov or call toll-free, 1-877-FTC-HELP (1-877-382-4357); TTY: 1-866-653-4261. The FTC enters Internet, telemarketing, identity theft and other fraud-related complaints into Consumer Sentinel, a secure, online database available to hundreds of civil and criminal law enforcement agencies in the U.S. and abroad.

FEDERAL TRADE COMMISSION
1-877-FTC-HELP

FOR THE CONSUMER
www.ftc.gov

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